

SERFF Tracking #:	UNUM-133413118	State Tracking #:	UNUM-133413118	Company Tracking #:	2019 GLTC RATE INITIATIVE - PHASE III
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State:	Pennsylvania	Filing Company:	Unum Life Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care		
Project Name/Number:	2019 GLTC RATE INITIATIVE - PHASE III/		

Supporting Document Schedules

Satisfied - Item:	PA PUBLIC
Comments:	
Attachment(s):	GLTC Actuarial Memo- PA PUBLIC.pdf
Item Status:	
Status Date:	

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Actuarial Memorandum Group Long Term Care October 2022 Pennsylvania PUBLIC VERSION

<u>Form Number</u>	<u>Description</u>	<u>Certificate Issue Date</u>
B.LTC, TQB.LTC	Long Term Care Indemnity Policy	February 1, 1991 – May 1, 2000
GLTC95, TQGLTC95	Long Term Care Indemnity Policy	January 1, 1992 – February 1, 2007

These group long term care policy forms were actively marketed through 2004. Although no longer actively marketed, new employees have been added after 2004 and can still be added to existing inforce group policies.

These policy forms were originally priced prior to rate stability under the NAIC model regulation, however certificates have been added after rate stability and new employees will continue to be added. Therefore, this filing is being made according to rate stabilization requirements consistent with the previous approved rate increase filing under SERFF number UNUM- 133045291 in 2021.

These policy forms were marketed primarily to employers. In a few instances, policyholders may be associations or other eligible groups permitted by state law. Therefore, the terms “employer” and “employee” used in this Memorandum include “group policyholder” and “insured.”

We respectfully request non-disclosure of this actuarial memorandum, if your Department grants it.

1. Scope & Purpose

This actuarial memorandum has been prepared for the purpose of demonstrating that the loss ratio requirements have been met in your state with respect to premium rate increases and is not intended to be used for other purposes.

2. Benefit Description

Long Term Care Facility Benefit: Pays 100% of the daily maximum benefit.

Assisted Facility Benefit: Pays maximum of the Home and Community Care Benefits or 60% of the Long Term Care Facility Daily Benefit.

Bed Reservation Benefit: up to 15 days per calendar year.

Respite Care Benefit: Provides temporary relief to primary informal caregiver from his or her caregiving duties. The policy provides respite care benefits for up to 15 days each calendar year.

Waiver of Premium: Premiums are waived after the insured satisfies the elimination period and is receiving benefits.

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Optional Benefits

- Home and Community Care Benefits: Pays 50%, 75% or 100% of the Long Term Care Facility Daily Benefit. Includes adult day care and hospice care. A total home option is also available that provides coverage for informal care.
- Accelerated Premium Payment Options
- Non-forfeiture
- Inflation Protection: Insured can select simple or compound 5% inflation protection. A two times cap is also offered.
- Return of Premium at Death

3. Renewability

These are guaranteed renewable group long term care policies and certificates.

4. Applicability

This filing is applicable to inforce and new certificate holders. These policy forms are no longer being sold in the market. The premium changes will apply to the base rates of the policy. New certificates will be added at the rates applicable at the time they are issued and subject to future applicable rate changes.

5. Actuarial Assumptions

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6. Trend Assumptions

As this is not medical insurance, we have not included any explicit medical cost trends in the projections.

7. Marketing Method

Coverage under in-force group policies was offered through the worksite marketplace to meet the needs of the employer and employees. Marketing was done through plan administrators and employer sponsorship. This product is no longer marketed.

8. Underwriting Description

This product is subject to medical underwriting. Guarantee issue and modified medical underwriting are available to active employees in an employer group where the plan offered meets specified risk characteristics (e.g. minimum participation requirements, employer funding).

9. Premium Classes

The base policy premium rates vary by issue age, benefit period, inflation option, and home care benefit percentage. Base premiums also vary by elimination period, the inclusion of a reduced paid-up benefit and cognitive impairment for policy form B.LTC. Premium rates within a specified group do not vary. Employees, spouses and other eligible participants will have the same premium rates. Premium rates do not change when a participant ports their coverage.

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10. Premium Modes

Available premium modes include annual, semi-annual, quarterly, monthly and monthly electronic funds transfer. Factor adjustments for modes other than annual are unchanged from the initial rate filing.

11. Issue Ages

The issue ages are age 18 to 100.

12. Area Factors

Area factors within your state are not used for this product.

13. Average Annual Premium

The table below summarizes the average annual premium per policy before and after the requested rate increase, both nationwide and in your state based on the proposed rate increases in your state.

Nationwide		Pennsylvania	
Current	After Proposed Rate Increase	Current	After Proposed Rate Increase
685	1,003	703	874

14. Number of Certificateholders

The table below summarizes the number of premium-paying policies inforce and their annualized premium as of 12/31/2021.

	Number of Policies	Annualized Premium
Pennsylvania	14,885	10,465,861
Nationwide	457,921	313,494,311

15. Distribution of Business

The table below summarizes, as of 12/31/2021, the distribution of insureds by several characteristics.

This information below is based on national inforce business.

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Issue Age	%	Inflation Type	%	Benefit Period	%	Attained Age	%
<40	37.9%	Compound Uncapped	14.9%	2	7.1%	<40	16.5%
40-44	13.5%	Simple Uncapped	8.7%	3	56.2%	40-44	7.7%
45-49	14.4%	Compound Capped	1.3%	4	2.3%	45-49	8.5%
50-54	14.6%	Simple Capped	11.4%	5	5.0%	50-54	10.3%
55-59	11.6%	No Inflation	63.7%	6	21.7%	55-59	11.6%
60-64	5.9%			10	0.2%	60-64	12.6%
65-69	1.6%			Lifetime	7.5%	65-69	11.6%
70-74	0.4%					70-74	10.7%
75+	0.1%					75+	10.6%

Elimination Period	%
0	0.0%
30	0.9%
60	3.7%
90	92.9%
100+	2.5%

The information below is based on Pennsylvania inforce business.

Issue Age	%	Inflation Type	%	Benefit Period	%	Attained Age	%
<40	33.2%	Compound Uncapped	15.6%	2	0.0%	<40	12.9%
40-44	12.6%	Simple Uncapped	6.3%	3	66.8%	40-44	5.4%
45-49	15.9%	Compound Capped	2.3%	4	0.5%	45-49	6.6%
50-54	16.6%	Simple Capped	12.1%	5	2.2%	50-54	9.1%
55-59	13.3%	No Inflation	63.6%	6	21.1%	55-59	10.8%
60-64	6.4%			10	0.3%	60-64	14.1%
65-69	1.6%			Lifetime	9.1%	65-69	13.7%
70-74	0.3%					70-74	13.3%
75+	0.1%					75+	14.1%

Elimination Period	%
0	0.0%
30	4.9%
60	1.0%
90	93.4%
100+	0.7%

In Pennsylvania, the average group issue age for these policy forms is 45 and the average group attained age for these policy forms is 59.

16. History of Previous Rate Revisions

The following average rate increases were previously approved in your state.

Policy Form Series B.LTC & GLTC95	Employer Funded			Voluntary		
	1st Increase	2nd Increase	3rd Increase	1st Increase	2nd Increase	3rd Increase
SERFF Number	UNUM-128578458	UNUM-131887717	UNUM-133045291	UNUM-128578458	UNUM-131887717	UNUM-133045291
Approval Date	1/9/2013	7/10/2019	12/14/2021	1/9/2013	7/10/2019	12/14/2021
Amount by Inflation Type						
Compound Uncapped Inflation	25%/25%/20%	20%	20%	25%/25%/20%	20%/18%	20%
Simple Uncapped Inflation		13%	20%		0%	20%
Compound and Simple Capped Inflation		0%	0%		0%	20%
No Inflation		0%	0%		0%	0%

Please see Exhibit 3 for historical filings and the current filing status of rate increases in other states.

17. Requested Rate Increase

The company is requesting a 24.3% rate increase applicable to all insureds.

The requested rate increases above reflect the actuarial equivalence of the outstanding rate increase request after the 2021 approval under SERFF Number UNUM-133045291.

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18. Reserves

Active life reserves have not been used in this rate increase demonstration. Statutory claim reserves as of 12/31/2021 have been discounted to the date of incurrals of each respective claim and included in the historical incurred claims. Incurred But Not Reported claim reserves as of 12/31/2021 have also been allocated to the expected calendar year of incurrals and included in historical incurred claims and runoff in the projected experience.

19. Past and Future Projected Policy Experience and Demonstration of Satisfaction of Loss Ratio Requirements

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20. Proposed Effective Date

The rate increase will apply to policies on their policy anniversary date following a 60-day policyholder notification period.

21. Similar Forms

There are no similar forms currently marketed by the company.

22. Actuarial Certification

I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. I meet the Academy's qualification standards for rendering this opinion and am familiar with the requirements for filing long-term care insurance premiums and filing for increases in long-term care insurance premiums.

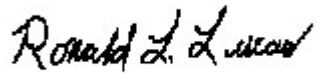
To the best of my knowledge, this rate filing is in compliance with the applicable laws and regulations of this state. This memorandum has been prepared in conformity with all applicable Actuarial Standards of Practice including ASOP Number 8.

I certify that renewal premium rate schedules are not greater than new business premium rates schedules except for differences attributable to benefits. Unum is no longer writing any new group long term care employer policies.

I have taken into consideration the policy design, underwriting, and claims adjudication practices.

To the best of my knowledge, the premium rate increase requests outlined in Section 17 of this memorandum are necessary to certify that the premium rate schedules are sufficient to cover anticipated cost under moderately adverse experience, if the underlying assumptions are realized and the premium rates schedules are reasonably expected to be sustainable over the life of the policies with no further premium rate schedule increases anticipated. Emerging experience will continue be monitored to assess future rate increase needs.

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A handwritten signature in black ink that reads "Ronald L. Lucas". The signature is written in a cursive, flowing style.

Ronald L. Lucas, F.S.A., M.A.A.A.
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